**Governments of
the District of Columbia,
the Commonwealth of Virginia,
and the State of Maryland**

National Capital Region's Homeland Security Senior Policy Group

Joint Testimony of
**Edward D. Reiskin, Deputy Mayor for Public Safety and Justice for the
District of Columbia
Robert P. Crouch, Jr., Assistant to the Governor of Virginia for
Commonwealth Preparedness
Dennis R. Schrader, Director of the Governor's Office of Homeland Security
for the State of Maryland**

Regional Insecurity: DHS Grants to the National Capital Area

Committee on Government Reform
**Representative Tom Davis, Chair
Representative Henry Waxman, Ranking Member**

June 15, 2006

Room 2154
Rayburn House Office Building
Washington, DC 20510
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Mr. Chairman, Mr. Ranking Member and members of the Committee thank you for the opportunity to appear today to provide perspective regarding the homeland security funding decisions and the associated impacts in the National Capital Region (NCR)[1]. We have submitted our joint written testimony for the record. Consistent with the collaborative nature of the NCR, we opted for joint written testimony. We share goals, ideals, funding concerns and, most importantly, an intense commitment to the safety and security of the NCR that transcend the political boundaries within the NCR. Moreover, since preparedness requires coordination across the region, we plan, train, exercise, and work together on these issues and develop our proposals for funding to the Department of Homeland Security jointly. We are also joined today by Dave Robertson, the Director of the Metropolitan Washington Council of Governments (MWCOG).

You asked us to answer the following three questions:

- What are the impacts associated with the FY06 Urban Area Security Initiative (UASI) funding allocation?

- What are the potential increased security risks to the region?

- What is our assessment of DHS' risk and effectiveness-based process used for reviewing FY06 homeland security grant applications?

THE GREATEST IMPACT IS THAT THE AWARD AMOUNT WILL SLOW IMPROVEMENT AND INTEGRATION OF INTERJURISDICTIONAL CAPABILITIES

NCR Funding History

The National Capital Region is defined as an Urban Area by the Department of Homeland Security, making it eligible for grant funds under the Urban Area Security Initiative program. In addition, Virginia, Maryland, and the District receive DHS grant funds as states through programs such as the State Homeland Security Grant and Law Enforcement Terrorism Prevention programs.

The following table outlines the funding received or to be received by the NCR under the UASI program.

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[1] Title 10, United States Code, Section 2674 (f)(2) provides the following definition:
  The term "National Capital Region" means the geographic area located within the boundaries of (A) the District of Columbia, (B) Montgomery and Prince Georges Counties in the State of Maryland, (C) Arlington, Fairfax, Loudoun, and Prince William Counties and the City of Alexandria in the Commonwealth of Virginia, and (D) all cities and other units of government within the geographic areas of such District, Counties, and City.

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Table 1[2]

Grant	Effective Award Date	Period of Performance	Grant Award	Percentage of total UASI program
03 Urban Area Security Initiative Part I	12/30/2003	6/1/03 – 11/30/05	$18,081,000	10.3%
03 Urban Area Security Initiative Part II	12/30/2003	6/1/03 – 11/30/05	$42,409,851	
04 Urban Area Security Initiative	3/29/2004	12/1/03 – 5/30/06	$31,921,361	4.7%
05 Urban Area Security Initiative	3/1/2005	10/1/04 – 3/31/07	$77,500,000	9.1%
06 Urban Area Security Initiative	Awaiting the award	To be determined	$46,470,000	6.3%
Total:			**$ 216,382, 212**	**7.6%**

As outlined in Table 1, the Department of Homeland Security granted the NCR approximately $170 million dollars through the UASI program from FY 2003 through FY 2005, equal to roughly 8% of the total UASI program.

Application Process

An understanding of the process used to develop the FY 06 UASI application will help explain what the impacts to the region will be. State, local, federal, and non-government stakeholders from across the region worked throughout January and February of this year to develop the application, based on the *FY 2006 Homeland Security Grant Program – Program Guidance and Grant Application Kit* released in December 2005.

The application used the DHS Target Capabilities as a framework for determining need. Each state and urban area was required to undertake a review of its capabilities with respect to national and, optionally, state/local priorities. The National priority capabilities are:

1. Information Sharing and Dissemination
2. Law Enforcement Investigation and Operations
3. Interoperable Communications
4. CBRNE Detection
5. Explosive Device Response Operations
6. WMD/Hazardous Materials Response and Decontamination
7. Mass Prophylaxis
8. Medical Surge

In addition, based on the NCR Strategic Plan, we identified the following six additional capabilities for our review.

9. Citizen Preparedness and Participation;
10. Citizen Protection: Evacuation and/or In-Place Protection;

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[2] The 03 Urban Areas Security Initiative Parts I and II have been extended through November 30, 2005 and June 30, 2006, respectively.

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11. Critical Infrastructure Protection;
12. Critical Resource Logistics and Distribution;
13. Mass Care (Sheltering, Feeding and Related Services); and
14. Planning.

Practitioners from across the region in each of the above areas completed capability reviews to identify strengths, weaknesses, and areas in need of improvement. From that process they identified resource needs and developed specific project concepts that would address those needs and strengthen the region's capabilities. From the $250 million worth of needs identified, we submitted an application for funding in the following areas. We reduced the amount requested from the fully identified need based on a vetting of the concept proposals and our capacity to execute.

Investment Area	Allocation
CBRNE Detection	$5.25M
Critical Infrastructure Protection	$26.25M
Citizen Preparedness and Participation	$10.00M
Citizen Protection	$11.00M
Critical Resource Logistics and Distribution	$21.00M
Explosive Device Response	$9.45M
Intelligence/Information Sharing/Dissemination	$10.05M
Interoperable Communications	$42.00M
Law Enforcement Investigation & Operations	$11.55M
Mass Care	$5.00M
Mass Prophylaxis	$3.67M
Medical Surge	$6.30M
Planning	$15.22M
WMD/Hazardous Materials Response & Decon	$11.50M
Total	**$188.24M**

HOMELAND SECURITY GRANT FUNDS SHOULD BE ALLOCATED BASED ON RISK AND EFFECTIVENESS

In FY 2006, DHS adopted a common risk and needs-based approach to allocating funds for the UASI program to strengthen national preparedness. We understand that DHS determined **risk** at the Federal level using a risk formula developed by DHS in conjunction with other Federal entities. The **need** was determined as an output of the Program and Capability review that we undertook for the region within the context of our strategic plan. Through the review process, the NCR developed two key submissions for the FY 2006 grant application:

1. *Program and Capabilities Enhancement Plan,* which is a multi-year global program management plan for the entire NCR homeland security program that looks beyond homeland security grant programs and funding; and

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2. *Investment Justification*, which identified specific initiatives from the Enhancement Plan for which the NCR proposed to use FY 2006 UASI funding.

DHS used a nationwide peer review process to evaluate the effectiveness of each state or region's proposal in addressing the articulated need. We understand that the risk assessment accounted for two-thirds of the decision; the effectiveness assessment for the remaining third.

We support the direction DHS chose this year and agree that funds should be allocated based on these two criteria. However, the quantitative outcomes from the process suggest that the model did not work as intended.

A DHS shift to focus more on the risk of a state or region would suggest the NCR could only benefit from this change. Instead, this year, the NCR will receive 6.3% of the total funds allocated for the Urban Area Security Initiative program. Last year the NCR received 9.1% of the national total without the new emphasis on risk. The 6.3% the NCR is receiving this year is not the lowest percentage over the UASI's 4-year life span. The NCR received its lowest percentage of funds in FY04 when it was awarded 4.7% of the National total. That being said, the region as a whole expected to receive more than the 9.1% received in FY05 due to the new emphasis on risk.

We understand that DHS rated our proposal to be in the lower 50% for effectiveness. However, if the region was identified as a high risk region (in the 97th percentile of risk according to a DHS press release) but the effectiveness of the proposal was in question, it seems more consistent with securing the homeland that DHS would work with us to increase the effectiveness to address the risk rather than reducing our ability to address it.

NCR versus State Risk

The NCR was found to be in the top 25% of all eligible urban areas for risk. However, Maryland and Virginia as states were only in the top 50% for risk; the District of Columbia was in the bottom 25%. We can imagine that Maryland and Virginia fell lower in the risk category because they have both urban and rural areas. It is more surprising that the Department of Homeland Security finds the District of Columbia to be in the bottom 25% in terms of risk when the entire District, which houses the Capitol, the White House, the Supreme Court, and numerous national icons and critical functions, falls within the borders of the NCR, which was deemed to be in the top 25% for risk.

Peer Review Process

In terms of the outcome of the peer review process, the NCR prides itself on having some of the best trained, equipped, and experienced practitioners in the country. It is these practitioners who spent countless hours preparing and prioritizing the projects that fed into our application. For this reason it is difficult for us to understand how other practitioners across the country could find our application to be in the bottom 25% for effectiveness.

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WE WILL BE UNABLE TO LOWER THE RISK TO THE REGION AS PLANNED

The impact of the FY06 funding decision from the Department of Homeland Security is that the region will not be able to accomplish as much as we had hoped in this funding cycle, which slows the momentum of our progress in building capabilities to better prepare the region. The following investments are examples of the broad capabilities we had hoped to advance fully in FY06:

- Mass Care
  - Following our experience in housing people who were driven from the Gulf Coast following Hurricane Katrina, we identified needs for enhanced coordination of mass care sheltering, including increased capability to maintain, deploy, and distribute critical supplies that would be required to support a significant sheltered population.

- Citizen Preparedness and Participation
  - Another lesson learned from Hurricane Katrina is that individual and family preparedness is an essential element of the region's preparedness and will impact our ability to respond and recover from a disaster. Our research shows that more than half of the region's population is not adequately prepared. We planned to invest in continued public engagement through training, media outreach, and supporting materials such as emergency checklists and supplies. We also planned to invest in strengthening of our volunteer corps, which leverages our capability to prepare citizens, and in improving our ability to ensure that special needs populations could evacuate or be supported in place as needed during as disaster.

- Critical Infrastructure Protection
  - Coordination of critical infrastructure protection is essential in our region since many of our assets cross through the three states. The Metro rail/bus system is a good example of a truly regional asset, and one for which we have an identified protection need. As a result of previous assessments, other transportation assets such as bridges and tunnels have identified protection needs for which we planned investment. We also had planned to expand our monitoring of water quality throughout the region to enable us to better and earlier identify natural or human-introduced agents that threaten public safety.

- Interoperable Communications
  - We had planned to invest more than $30 million to strengthen interoperable communications in the region. Included in that plan was $20 million to continue the establishment of secure, broadband connectivity and data exchange services throughout the region. This effort will allow real-time sharing of information throughout the region to allow police officers to access warrant information, transportation officials to monitor traffic flows during an evacuation, emergency medical providers and hospitals to track patients during a mass casualty event, emergency managers to work in a virtual regional emergency operations center,

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            etc. (The attached document further outlines our interoperable communications program and vision.)

We will not be able to support all of the investments above with the FY 06 UASI grant award from DHS, and there are many other investments in the areas listed on the previous page that we had planned as part of our $188 million application.

There is no question that many proposed projects within our priority investments will not be funded with FY06 grant money which will prevent us from increasing the security of the region as we had hoped. The capabilities we have built since 2001 will generally not be impacted. However, many of the enhanced, necessary capabilities we were hoping to build with FY06 money will be slowed or postponed. Below is a short list of the specific, crucial projects we proposed in our application. Because we were legitimately expecting an award of $100-110 million and only received $46.4 million, we will be unable to complete all of these projects in this grant cycle.

WMATA Alternative Operation Control Center ($9,000,000)

Currently, thirty percent of the region's commuters rely on Metrorail service, and almost half of peak period riders are federal employees. The recent attacks in London and Madrid have shown that transit systems are a favorite target of terrorists. WMATA's existing Operation Control Center (OCC) directs rail and bus operations, emergency repair actions, radio communications, coordinates communications with the region's emergency first responders, receives chemical sensor program data, origination point for public announcements, and needs to be extremely facile with the ability to quickly respond to a variety of incidents. WMATA's OCC represents a single point of vulnerability for operating the entire rail system. If the building that currently houses the OCC is destroyed or has to be evacuated, it would be essentially impossible to maintain rail service with any acceptable degree of reliability Addressing this single point failure in WMATA's operating system in a timely fashion will serve to mitigate the negative impacts and enhance the response and recovery capabilities of the National Capital Region resulting from a terrorist attack directed towards transit or other high threat targets in the region.

Metro Subway Security Strategic Initiative ($3,000,000)

Recently, the NCR Fire Chiefs Committee created the Subway Tunnel Working Group to identify gaps in Fire's response to an incident in the WMATA Metro System. Our current initiative being considered is to address identified gaps in the region's Fire Service abilities to respond effectively to an incident involving the WMATA tunnel system. This initiative includes implementing hazardous materials detection, mitigation and decontamination training to ensure proper CBRNE and hazardous materials techniques within the metro system are being met. This proposed project would also supply the first responders with longer duration breathing apparatus so firefighters can provide longer search and rescue missions within the tunnels in the case of an attack.

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Increasing Special Needs Involvement in NCR Disaster Preparedness ($1,500,000)

The recent Katrina disaster in the Gulf indicated the need for disaster preparedness training for organizations like nursing homes, group homes, and providers of home health care that serve people with disabilities or other special needs. We recognize that these organizations in the NCR (or providing other services) are not sufficiently prepared to shelter in place the people they serve, or to evacuate them to a place of safety and shelter.

Our current initiative is to create a representative consortium of disability advocacy groups and service providers with national outreach and local NCR focus to prepare organizations that serve people with disabilities in NCR to shelter in place or evacuate those they serve and conduct exercises to shelter in place or evacuate to a distant shelter.

NCR Bomb Squad Training, Equipment and Caches ($8,000,000)

Currently, all NCR area bomb squads have a high level of interoperability and participate in information exchange, joint training, and mutual aid but lack adequate resources to obtain necessary operational equipment. As a result, all area state and local squads have immediate equipment deficiencies that impact the safety of the general public, emergency responders, and bomb technicians. Also, none of the state/local (S/L) squads in the NCR currently meet the minimum capabilities for Type I bomb squads as defined by FEMA.[3] This initiative, if funded, would allow all 8 area bomb squads within the NCR to obtain the equipment needed to meet the minimum standards of a Type I bomb squad as defined by FEMA.

Automated Fingerprint and Facial Recognition System (AFIS) ($3,000,000)

Mobile AFIS with facial recognition will allow NCR law enforcement officials in the field to identify persons of interest. With the use of the mobile device, a fingerprint and a picture will be captured and sent for search among the three participating databases consisting of approximately 1.5 million AFIS records. If the subject scanned has a prior local record, the result will be a "hit" on that record, returning the associated Mug Shot and name. This system is vital to protect the safety of law enforcement and first responders by allowing them to quickly identify dangerous individuals.

National Capital Region – Law Enforcement Information Exchange (NCR-LInX) ($3,000,000)

In June of 2005 the COG Police Technology Subcommittee collaborated with the Naval Criminal Investigative Service (NCIS) to launch the NCR – LInX after having explored multiple criminal justice data sharing options. The LInX system appears to be the most robust in the nation, having already successfully implemented criminal justice data sharing initiatives in the State of Washington, Hampton Roads Region of Virginia, Gulf Coast of Texas, the islands of

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[3] FEMA Type I bomb squads are accredited bomb squads capable of handling multiple or simultaneous incidents, are CBRNE trained and equipped, and have 2 or more bomb response teams (BRTs). A BRT consists of 2 certified bomb technicians fully equipped for bomb squad operations. Teams must have render safe capabilities, including a robot capable of handling a Vehicle-borne IED render safe mission.

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Hawaii and the area of the Florida – Georgia state line. The current initiative being considered would achieve complete criminal justice data sharing capability among the more than 75 Federal, State, and local law enforcement agencies that make up the National Capital Region. Without this system, routine criminal background checks across jurisdictional borders are delayed putting the safety of local law enforcement officers in jeopardy.

NCR Emergency Operation and Coordination Planning ($5,000,000)
This initiative will provide planning staff to assist the local governments in creating, updating and coordinating plans within the National Capital Region. Coordinating plans within the NCR is not only a priority of the region, but a priority of DHS and Congress. Both local and regional plans need to be updated in several specific areas in addition to a general review and update to make sure all information is current. Additional planning support will be primarily utilized to develop and or revise local evacuation plans, mass care/sheltering planning including animals centers, regional coordination and response plans, and continuity of government plans.

THE INDIVIDUAL JUSRISDICTIONS WERE ALSO IMPACTED BY THE FUNDING ALLOCATIONS

District of Columbia Impact

For the District of Columbia, we submitted a proposal for state funds in the amount of $21.8 million and were awarded $7.6 million. We worked collaboratively with the National Capital Region to develop our application to ensure we would leverage outcomes, gain greater sustainability, and be more cost effective. Overall District saw a decrease in funding of 46.7% from FY 05 while the program funding decreased by 29%. Also, even though the District of Columbia serves as the seat of the federal government and represents the core of the National Capital Region, the Department of Homeland Security found the District to be among the bottom 25% of all States and Territories in terms of risk. Only American Samoa, the Northern Mariana Islands, the Virgin Islands, and Guam received less funding than the District of Columbia through the State Homeland Security Grant Program.

We had planned significant investment to stand up our fusion center, which we have been developing in accordance with Department of Homeland Security guidance. Funds to support intelligence sharing and analysis, information infrastructure, and expansion of our terrorism tip program were included in that investment. We had planned investments in law enforcement to raise some of our critical capabilities to Tier 1 and to expand our rapid deployment forces. We had planned investment to develop our critical infrastructure protection program to enable strategic assessment of prioritized protection of the critical assets in the nation's capital. We had planned investment in expanded outreach and education to our residents, businesses, and visitors, to enhance their preparedness. And we had planned significant investment in continued planning, training, and exercising to ensure our first responders, support staff, leadership, and all relevant parties are ready to respond to the many possible scenarios that we face.

As a result of the announced grant award for the District, we will have to prioritize among the capability enhancements referenced above as well as the rest from our application, meaning that

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many will not get done within this grant cycle. Failure to execute all of the planned investments will not increase risk, as we will not lose those capabilities that we have already developed. However, we will not be able to continue building our critical capabilities and developing new ones as quickly as we had expected.

Maryland Impact

On May 31, 2006, the Department of Homeland Security (DHS) announced the allocation of $24.3 million in Homeland Security Grant Program (HSGP, which includes SHSP, LETPP, UASI, CCC, MMRS) funds to Maryland—a 38% reduction from last year's HSGP award of $39 million. Maryland requested a total of $120 million in its FY06 HSGP application ($69 million for SHSP and $51 million for the Baltimore UASI). According to DHS, Maryland's application was ranked in the top 50% for both risk and effectiveness. With that limited feedback, it is difficult to understand how Maryland's grant funds were cut so drastically.

Of the five grant programs that comprise the entire HSGP award, Maryland's biggest reduction was in its allocation for the State Homeland Security Program allocation (SHSP). In 2006, DHS allocated $8.1 million to Maryland—a 59% decrease which is greater than the overall nationwide reduction of 50%. One theory we have regarding Maryland's cuts is that the major risks in Maryland fall within the borders of the Baltimore UASI and the NCR UASI and that might have made the rest of Maryland fall lower in the risk category. We are looking forward to gaining more clarity on this issue at the After Action Conference which will be held by DHS in July, or sooner if possible.

Although Maryland's percentage reduction of SHSP dollars was less severe than only 13 other States and Puerto Rico, Maryland is not unique. Overall, DHS 2006 SHSP grants were reduced by slightly over 50%—including reduction of over 70% from 2005 levels for four jurisdictions.

Like 32 other grantees, Maryland is also faced with a reduction in funding for the Law Enforcement and Terrorism Prevention Program (LETPP). While allocating $384 million of 2006 LETPP grants (overall level funding from 2005), DHS reduced Maryland's portion of LETPP grants by $1.3 million—an 18% reduction from 2005.

Our Fusion Center (MCAC) will be our first priority for state and local portions of the grant. Some of Maryland's other priorities are Critical Infrastructure Protection, Agrosecurity, Interoperability, and Statewide planning efforts. Here are a few possible impacts, by investment, that are likely outcomes of Maryland's reduced funding:

- If Interoperability is not funded, it could impede Maryland's compliance with National Incident Management System (NIMS) by slowing the flow of critical information among first responders and emergency management agencies

- Without fully funding our critical infrastructure needs, the state will be unable to continue its implementation of the Interim National Infrastructure Protection Plan; maintain a dynamic regional collaboration program; or support the incentives and

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outreach necessary to maintain the development of the comprehensive information-sharing network between public and private sector security partners.

- Without the support of funding for intelligence and information sharing, Maryland will be limited on a state wide basis in its ability to share information/intelligence in a manner that allows for a timely and effective response to a threat. Without the support of this funding, there will be a distinct slower timeframe for the development and dissemination of intelligence and critical information. Additionally, Maryland will leave maritime assets which are vital to its homeland security vulnerable.

The program review processes designed and implemented by the Governor's Office of Homeland Security provides a suitable framework for the efficient review of the scalability of all local and state homeland security projects. Resources will have to be spread across the entire state and it will be difficult for Maryland to support all of its local jurisdictions while also enhancing capabilities in the Baltimore and NCR UASI regions. To be sure, the reduction in the 2006 award will cause delay in the completion of some projects. However the processes in place will enable Maryland to minimize those delays and direct the funds that are received to projects that provide the maximum overall benefits for the State.

Maryland's program development and review process allowed us to prepare for any amount of funds allocated by DHS. Although Maryland did not receive as much as was hoped for, the processes in place give us the ability to efficiently and accurately identify local and State projects which, when funded, will provide the greatest impact to the overall security and emergency preparedness of Maryland.

Virginia Impact

The Commonwealth of Virginia submitted investments for a total of $43.178 million and received $16.8 million. While this is substantially less than the previous year where we received $36.8 million (not $55.6 referenced in the invitation) rather than viewing this as simply a loss in funding, we consider it a reduction in the number and scope of projects that can be accomplished during this grant cycle.

Virginia's Homeland Security strategy has been developed through a partnership of the appropriate state agencies and the Secure Commonwealth Panel, composed of legislative, private sector, and local government representatives, to develop Virginia's overarching Homeland Security strategy. In January we convened a two day meeting of 250 subject matter experts from 50 professional public safety groups and private industry to develop specific initiatives and investments for this year's submission to the Department of Homeland Security. These were condensed into 13 investments, including five additional investments that were identified by the Commonwealth to be priorities. Inside the investments were 28 initiatives that identified current capabilities, goals for future capabilities, strategies for how to close the gaps, and funding requirements.

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Despite these good efforts, the Commonwealth saw a decrease in funding of over 50% while the program funding decreased by 29%, even while the DHS risk-based portion of the formula placed Virginia in the top 50% for asset-based risk, top 25% for geographic risk, and top 50% for combined risk.

As a result of the amount of funding Virginia received, a number of our highest priority investments are in jeopardy of not being funded as mandatory requirements consume most of the grant allocation. This will not increase risk, as we will not lose those capabilities that have already been developed. However, it will take years longer to complete the critical investments that we identified and bring them to full operational status. As an example, the Commonwealth is in the process of completing its intelligence gathering and analysis Fusion Center, rated our highest priority for funding at $8 million, but we must now consider not funding through this grant cycle.

The Commonwealth of Virginia believed the new risk-based approach of DHS would be beneficial to the funding allocation we would receive as a result of Northern Virginia, Richmond, and Hampton Roads each being areas of concentrated risk, yet we scored only in the top 50% of all submissions. We followed the DHS guidelines and developed a comprehensive approach to the grant submission process, consulting with subject matter experts, convening large numbers of stakeholder groups, revising and consolidating our submission, and developing long-term strategies as well as short-term initiatives to address the gaps we identified.

We remain unclear on the DHS methodology and welcome the opportunity to learn more about the process so we will have a better understanding for future years. While we had expected more funding in this grant cycle, and have less ability to accomplish the critical tasks we identified, we will proceed as effectively and strategically as possible.

THE NCR WILL DISTRIBUTE FY06 FUNDS EFFECTIVELY AND STRATEGICALLY

We will use the $46.5 million granted from the Department of Homeland Security to continue strengthening the capabilities of the region to make it safer. While it will be more difficult to make decisions on funding, the money will be spent as effectively and strategically as possible. The state and local leadership have a conference call today to continue our joint discussions and we will be meeting in the upcoming weeks to make our final funding decisions. We also hope to meet with DHS to get a clear understanding of both the risk and effectiveness analyses of our application. We plan to participate in the DHS After Action Report Conference that will reveal the results of the peer review process   All grant funds will be distributed by the end of August as required by DHS grant guidelines, assuming DHS has made the actual grants awards by the end of June.

Thank you for the opportunity to testify. As we know you are, we are fully committed and dedicated to a safer and more secure National Capital Region, and we work every day towards achieving that goal.